

VILLAGE OF GAGETOWN

**REPORT ON FINANCIAL STATEMENTS
(With Additional Information)**

MARCH 31, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name VILLAGE OF GAGGETOWN	County TUSCOLA
Audit Date 3-31-2004	Opinion Date 8-27-2004	Date Accountant Report Submitted to State: 9-29-2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGR).			X

Certified Public Accountant (Firm Name) ANDERSON, TUCKEY, BERNHART & DORAN, P.C.			
Street Address 715 E. FRANK STREET		City CAPR	State MI
Accountant Signature [Signature]		ZIP 48723	

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ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
Certified Public Accountants



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August 27, 2004

REPORT OF INDEPENDENT AUDITORS

Honorable Village Council
Village of Gagetown
Gagetown, Michigan 48723

We have audited the accompanying general purpose financial statements of the Village of Gagetown, as of and for the year ended March 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Village has not maintained a record of its general fixed assets and, accordingly, a statement of general fixed assets, required by generally accepted accounting principles is not included in the financial report.

In our opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Village of Gagetown, as of March 31, 2004, and the results of its operations and cash flow of its proprietary and similar nonexpendable trust funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

GENERAL PURPOSE FINANCIAL STATEMENTS

VILLAGE OF GAGETOWN
COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS
MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>
<u>ASSETS</u>		
Cash	\$ 169,410	
Accounts receivable	2,894	
Due from other funds	128,178	\$ 71,395
Fixed assets (net)		
<u>TOTAL ASSETS</u>	<u>\$ 300,482</u>	<u>\$ 71,395</u>
<u>LIABILITIES & FUND EQUITY</u>		
Liabilities:		
Payroll taxes withheld	\$ 1,430	
Customer deposits payable		
Due to other funds	148,675	
Total Liabilities	150,105	-
Fund equity:		
Contributed capital	-	-
Retained earnings:		
Unreserved	-	-
Fund balance:		
Undesignated	150,377	\$ 71,395
Total Fund Equity	150,377	71,395
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 300,482</u>	<u>\$ 71,395</u>

The accompanying notes are an integral part of the financial statements.

<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL</u> <u>(MEMORANDUM ONLY)</u>
<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>MARCH 31,</u> <u>2004</u>
\$ 175,894		\$ 345,304
64,585		67,479
53,937	\$ 23,343	276,853
<u>1,384,336</u>	<u>8,705</u>	<u>1,393,041</u>
<u><u>\$ 1,678,752</u></u>	<u><u>\$ 32,048</u></u>	<u><u>\$ 2,082,677</u></u>

\$ 1,041		\$ 1,430
<u>128,178</u>		<u>1,041</u>
		<u>276,853</u>
<u>129,219</u>	<u>-</u>	<u>279,324</u>
1,417,317		1,417,317
132,216	\$ 32,048	164,264
<u>-</u>		<u>221,772</u>
<u>1,549,533</u>	<u>32,048</u>	<u>1,803,353</u>
<u><u>\$ 1,678,752</u></u>	<u><u>\$ 32,048</u></u>	<u><u>\$ 2,082,677</u></u>

VILLAGE OF GAGETOWN
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED MARCH 31, 2004

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTALS</u> <u>(MEMORANDUM ONLY)</u>
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>MARCH 31, 2004</u>
REVENUES:			
Taxes	\$ 70,212	\$ 4,973	\$ 75,185
Intergovernmental Revenue			
State & Federal	48,696	54,676	103,372
License, Permits and Fees	900		900
Charges for Services	11,972		11,972
Interest Income	7		7
Miscellaneous	10,082	-	10,082
TOTAL REVENUE	141,869	59,649	201,518
EXPENDITURES:			
Elections	841	-	841
Clerk/Treasurer	31,838	-	31,838
Village Buildings & Grounds	26,529	-	26,529
Police Department	14,132	-	14,132
Public Works Department	47,839	-	47,839
Parks	8,439	-	8,439
Streets		56,555	56,555
TOTAL EXPENDITURES	129,618	56,555	186,173
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>12,251</u>	<u>3,094</u>	<u>15,345</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	28,330	700	29,030
Transfers out	(700)	-	(700)
TOTAL OTHER FINANCING SOURCES (USES):	27,630	700	28,330
EXCESS OF REVENUE & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	39,881	3,794	43,675
FUND BALANCE - APRIL 1	<u>110,496</u>	<u>67,601</u>	<u>178,097</u>
FUND BALANCE - MARCH 31	<u>\$ 150,377</u>	<u>\$ 71,395</u>	<u>\$ 221,772</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF GAGETOWN
COMBINED STATEMENT OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE
BUDGET & ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED MARCH 31, 2004

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:			
Taxes	\$ 68,100	\$ 70,212	\$ 2,112
Intergovernmental Revenue			
State & Federal	50,000	48,696	(1,304)
License, Permits and Fees	50	900	850
Charges for Services	11,700	11,972	272
Interest Income	-	7	7
Miscellaneous	500	10,082	9,582
TOTAL REVENUE	130,350	141,869	11,519
EXPENDITURES:			
Elections	845	841	4
Clerk/Treasurer	31,860	31,838	22
Village Buildings & Grounds	27,925	26,529	1,396
Police Department	14,175	14,132	43
Public Works Department	47,900	47,839	61
Parks	9,800	8,439	1,361
Streets	-	-	-
TOTAL EXPENDITURES	132,505	129,618	2,887
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,155)	12,251	14,406
OTHER FINANCING SOURCES (USES)			
Transfers in	12,000	28,330	16,330
Transfers out	(800)	(700)	100
TOTAL OTHER FINANCING SOURCES (USES):	11,200	27,630	16,430
EXCESS OF REVENUE & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	9,045	39,881	30,836
FUND BALANCE - APRIL 1	110,496	110,496	-
FUND BALANCE - MARCH 31	\$ 119,541	\$ 150,377	\$ 30,836

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUND TYPES

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 10,000	\$ 4,973	\$ (5,027)
8,800	54,676	45,876
<u>61,800</u>	<u>59,649</u>	<u>(2,151)</u>
57,670	56,555	1,115
57,670	56,555	1,115
<u>4,130</u>	<u>3,094</u>	<u>(1,036)</u>
800	700	(100)
<u>800</u>	<u>700</u>	<u>(100)</u>
4,930	3,794	(1,136)
<u>67,601</u>	<u>67,601</u>	<u>-</u>
<u>\$ 72,531</u>	<u>\$ 71,395</u>	<u>\$ (1,136)</u>

TOTALS (MEMORANDUM ONLY)

<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
\$ 78,100	\$ 75,185	\$ (2,915)
58,800	103,372	44,572
50	900	850
11,700	11,972	272
-	7	7
<u>500</u>	<u>10,082</u>	<u>9,582</u>
<u>192,150</u>	<u>201,518</u>	<u>9,368</u>
845	841	4
31,860	31,838	22
27,925	26,529	1,396
14,175	14,132	43
47,900	47,839	61
9,800	8,439	1,361
<u>57,670</u>	<u>56,555</u>	<u>1,115</u>
190,175	186,173	4,002
<u>1,975</u>	<u>15,345</u>	<u>13,370</u>
12,800	29,030	16,230
<u>(800)</u>	<u>(700)</u>	<u>100</u>
<u>12,000</u>	<u>28,330</u>	<u>16,330</u>
13,975	43,675	(2,960)
<u>178,097</u>	<u>178,097</u>	<u>-</u>
<u>\$ 192,072</u>	<u>\$ 221,772</u>	<u>\$ 29,700</u>

VILLAGE OF GAGETOWN
COMBINED STATEMENT OF REVENUE, EXPENSES
AND CHANGE IN RETAINED EARNINGS/FUND BALANCE
ALL PROPRIETARY FUND TYPES
YEAR ENDED MARCH 31, 2004

	PROPRIETARY FUND TYPES	
	ENTERPRISE	INTERNAL SERVICE
OPERATING REVENUES:		
Water & sewer system sales	\$ 33,827	
Other services, charges & sales	12,000	\$ 40,539
Interest & penalties	1,500	
TOTAL OPERATING REVENUE	47,327	40,539
OPERATING EXPENSES:		
Salaries & wages	9,490	2,673
Employee benefits	480	149
Operating supplies	5,779	906
Professional fees	60	-
Insurance	2,400	1,000
Utilities	3,953	2,092
Repairs & maintenance	2,840	4,174
Equipment rental	4,694	-
Testing	-	-
Depreciation	59,539	1,187
Miscellaneous	1,316	34
TOTAL OPERATING EXPENSES	90,551	12,215
OPERATING INCOME (LOSS)	(43,224)	28,324
NON-OPERATING REVENUE (EXPENSES)		
Interest earned	8,206	
Transfer to general fund		(28,330)
TOTAL NON-OPERATING REVENUE (EXPENSES)	8,206	(28,330)
NET INCOME (LOSS)	(35,018)	(6)
ADD: Depreciation of fixed assets acquired by grant which reduces contributed capital	43,264	
INCREASE IN RETAINED EARNINGS	8,246	(6)
RETAINED EARNINGS/FUND BALANCE - APRIL 1	123,970	32,054
RETAINED EARNINGS/FUND BALANCE - MARCH 31	\$ 132,216	\$ 32,048

The accompanying notes are an integral part of the financial statements.

VILLAGE OF GAGETOWN
COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES
YEAR ENDED MARCH 31, 2004

	<u>PROPRIETARY FUND TYPES</u>	
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ (35,018)	\$ (6)
ADJUSTMENT TO RECONCILE NET INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	59,539	1,187
CHANGE IN CURRENT ASSETS AND LIABILITIES:		
(Increase) decrease in accounts receivable	6,136	
(Increase) decrease in due from other funds	527	(1,181)
Increase (decrease) in due to other funds	32,303	
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>63,487</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	<u>(35,571)</u>	<u>-</u>
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	<u>(35,571)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	27,916	-
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>147,978</u>	<u>-</u>
CASH & CASH EQUIVALENTS AT END OF YEAR	<u>\$ 175,894</u>	<u>\$ -</u>

For purpose of reporting cash flows, cash and cash equivalents includes cash on hand, demand deposits in bank, and balances of certificates of deposits.

**VILLAGE OF GAGETOWN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DESCRIPTION OF VILLAGE OPERATIONS AND FUND TYPES:

The Village of Gagetown is governed by an elected council. The Village provides various services to its residents including law enforcement, community enrichment and human services.

REPORTING ENTITY:

In accordance with the U.S. generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", these financial statements present the Village of Gagetown. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency and whether the financial statements would be misleading if data were not included.

BASIS OF PRESENTATION:

The government uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types".

GOVERNMENTAL FUNDS:

Governmental funds include the following fund types:

General Fund:

This fund is used to account for all financial resources except those provided for in another fund. Revenues are primarily derived from property taxes, State and Federal aid, and charges for services to provide for the administration and operation of: (1) general Village governmental departments, boards and commissions; (2) court systems; (3) law enforcement; and (4) health, welfare and medical assistance. The fund includes the general operating expenditures of the Village.

Special Revenue Funds:

These funds are used to account for specific revenue (other than special assessments, expendable trusts, or major capital projects) derived from State and Federal grants, General Fund appropriations and charges for services which are to be expended for specific purposes as dictated by legal, regulatory or administrative requirements.

PROPRIETARY FUNDS:

Enterprise Funds:

These funds account for operations: (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds:

These funds account for the financing of goods and services provided by one department or agency to other department or agencies of the governmental unit, or to other governmental units on a cost reimbursement basis or for the purchase of delinquent real property taxes from local units of government.

**VILLAGE OF GAGETOWN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued):

BASIS OF ACCOUNTING:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e. revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e. net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e. revenues) and decreases (i.e. expenses) in net total assets.

The Village has elected not to follow Governmental Accounting Standards Board Statement #20 which would require additional disclosures similar to profit entities.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e. when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues susceptible to accrual. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, federal and state grants, special assessments, licenses, interest revenue and charges for services. Fines, permits and certain other state revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The government reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

BUDGETS AND BUDGETARY ACCOUNTING:

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year-end. The budgeted revenues and expenditures for governmental fund types, include any authorized amendments to the original budget as adopted.

Encumbrances represent commitments related to unperformed contracts for goods or services. The Village does not utilize encumbrance accounting.

**VILLAGE OF GAGETOWN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued):

CASH AND INVESTMENTS:

Cash includes amounts in petty cash and demand deposits. Investments include instruments allowed by state statute subsequently described. Investments are carried at amortized cost or fair value.

State statutes authorize the Village to invest in bonds, securities, and other direct and certain indirect obligations of the U.S. Treasury, which include securities issued or guaranteed by the Government National Mortgage Association; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; and in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase and not totaling more than 50% of any fund at any time. The Village is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

SHORT-TERM INTERFUND RECEIVABLES/PAYABLES:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

RECEIVABLES:

Receivables consist primarily of amounts for intergovernmental revenue and customer charges. An allowance for doubtful accounts has been established in those funds where it was determined to be necessary. Credit risk is minimal because of the large number of customers and the authority of the Village to add receivables to the tax rolls that are secured by the underlying property.

FIXED ASSETS:

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds. Fixed assets purchased within the proprietary funds and the Internal Service funds are reported as assets within those funds and accordingly, are included on their balance sheet.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Depreciation of buildings, equipment and vehicles in the proprietary fund types is computed over the estimated useful lives using the straight-line method.

FUND EQUITY:

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

Contributed capital currently exists only in the enterprise funds. This capital has been used along with other Village resources to purchase or construct the water and sewer systems currently in use within the Village. In order to more accurately reflect the equity remaining in these contributions, the contributions are being amortized over the useful life of the assets they aided in constructing or purchasing.

**VILLAGE OF GAGETOWN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued):

INTERFUND TRANSACTIONS:

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reoccurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

MEMORANDUM ONLY - TOTAL COLUMNS:

The total columns on the combined statements are captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data. Prior year memorandum total amounts have been updated for comparative purposes.

ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - SEGMENT INFORMATION:

The Village maintains two enterprise funds that provide water and sewer services. Segment information for the year ended March 31, 2004, is as follows:

	<u>WATER</u>	<u>SEWAGE DISPOSAL</u>	<u>TOTAL ENTERPRISE FUNDS</u>
Operating revenue	\$33,166	\$14,161	\$47,327
Depreciation & Amortization expense	6,979	52,560	59,539
Operating income (loss)	7,920	(51,144)	(43,224)
Net income (loss)	7,920	(42,938)	(35,018)
Net working capital (deficit)	(51,766)	216,963	165,197
Total identifiable assets	253,029	1,425,723	1,678,752
Total equity	123,810	1,425,723	1,549,533

**VILLAGE OF GAGETOWN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004**

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES:

The amounts of interfund receivables and payables are as follows:

<u>FUND</u>	<u>INTERFUND RECEIVABLE</u>	<u>FUND</u>	<u>INTERFUND PAYABLE</u>
General	\$128,178	General	\$148,675
Special Revenue	71,395	Enterprise	128,178
Enterprise	53,937		
Equipment	<u>23,343</u>		
Total	\$276,853	Total	\$276,853

NOTE 4 - FIXED ASSET SUMMARY:

A summary of proprietary fund type property, plant, and equipment at March 31, 2004 is as follows:

	<u>DEPRECIATION LIFE-YEARS</u>	<u>WATER FUND</u>	<u>SEWAGE DISPOSAL FUND</u>	<u>EQUIPMENT RENTAL FUND</u>
Meters	13-20	\$ 6,359		
Sewer System	50-67		\$2,102,280	
Water Mains	50	215,491		
Elevated Water Storage Tank	50	111,298		
Motor Vehicles & Related Equipment	3-10			\$78,518
Total Costs		333,148	2,102,280	78,518
Less Accumulated Depreciation		<u>(157,572)</u>	<u>(893,520)</u>	<u>(69,813)</u>
Net Carrying Amount		\$175,576	\$1,208,760	\$ 8,705

All depreciation is computed using the straight-line method.

NOTE 5 - CASH AND INVESTMENTS:

The Village maintains a pooled account for substantially all of its cash, except the water and sewer funds. Each fund type's portion of this pool is maintained through the use of separate accounts within the pooled account. This cash is shown in their respective funds for financial reporting purposes.

DEPOSITS:

At year-end, the carrying amount of the Village's deposits was \$345,304 and the bank balance was \$348,855. Of the bank balance, \$100,000 was covered by federal depository insurance with the remaining balance uninsured and uncollateralized.

**VILLAGE OF GAGETOWN, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2004**

NOTE 6 - CONTRIBUTED CAPITAL:

Contributed capital currently exists only in the Enterprise Funds. This capital has been used along with other Village resources to purchase or construct the sewer systems currently in use or still in construction within the Village. In order to more accurately reflect the equity remaining in these contributions, depreciation expense on fixed assets acquired by grants, entitlements and shared revenues is closed to contributed capital rather than retained earnings.

NOTE 7 - PROPERTY TAX REVENUE:

Property taxes become an enforceable lien on the property as of July 1. Taxes are levied on July 1 and are due in September. The Village bills and collects its own property taxes. Village tax revenues are recognized in the year of levy.

NOTE 8 - LEGAL COMPLIANCE - BUDGETS:

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or prior to March 31 of each year, a proposed budget is submitted to the Council for the fiscal year commencing the following April 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to April 1 the budget is legally enacted through passage of a resolution.
4. Any revisions of the budget must be approved by the Village Council.
5. Formal budgetary integration is employed as a management control device during the year for the general fund, debt service fund and special revenue funds.
6. Budgets for general, special revenue and debt service funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted, or as amended by the Village Council during the fiscal year. Individual amendments were not material in relation to the original appropriations which were amended.
7. The budget is prepared by fund and function and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Expenditures may not exceed budget at the function level.

NOTE 9 - RISK MANAGEMENT:

The Village is exposed to various risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by insurance purchased from independent third parties. Settled claims from these risks have not exceeded insurance coverage for the past three years.

NOTE 10 - SUBSEQUENT EVENT:

On April 5, 2004 the Village approved Ordinance Number 115 to provide for the acquisition and construction of improvements and extensions to the Village water supply system. This ordinance also provides for the sale of bonds in the amount of \$568,000 and collection of revenue to pay for the bonds and the operation and maintenance of the system. A grant of \$853,000 from the USDA will cover part of the costs of the project.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
Certified Public Accountants



Gary R. Anderson, CPA
Jerry J. Bernhardt, CPA
Thomas B. Doran, CPA

Robert L. Tuckey, CPA
Valerie Jamieson Hartel, CPA
Jamie L. Peasley, CPA

August 27, 2004

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements and supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Gagetown. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, such information is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Anderson, Tuckey, Bernhardt & Doran, P.C.

ANDERSON, TUCKEY, BERNHARDT & DORAN, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

VILLAGE OF GAGETOWN
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Taxes	\$ 68,100	\$ 70,212	\$ 2,112
Intergovernmental Revenue	50,000	48,696	(1,304)
License, Permits and Fees	50	900	850
Charges for Services	11,700	11,972	272
Interest income	-	7	7
Miscellaneous	500	10,082	9,582
	<u>130,350</u>	<u>141,869</u>	<u>11,519</u>
TOTAL REVENUES			
	<u>130,350</u>	<u>141,869</u>	<u>11,519</u>
EXPENDITURES			
Elections	845	841	4
Clerk/Treasurer	31,860	31,838	22
Village Buildings & Grounds	27,925	26,529	1,396
Police Department	14,175	14,132	43
Public Works Department	47,900	47,839	61
Parks	9,800	8,439	1,361
	<u>132,505</u>	<u>129,618</u>	<u>2,887</u>
TOTAL EXPENDITURES			
	<u>132,505</u>	<u>129,618</u>	<u>2,887</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(2,155)</u>	<u>12,251</u>	<u>14,406</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	12,000	28,330	16,330
Transfers out	(800)	(700)	100
	<u>11,200</u>	<u>27,630</u>	<u>16,430</u>
TOTAL OTHER FINANCING SOURCES (USES):			
	<u>11,200</u>	<u>27,630</u>	<u>16,430</u>
EXCESS OF REVENUE & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	<u>9,045</u>	<u>39,881</u>	<u>30,836</u>
FUND BALANCE - APRIL 1	<u>110,496</u>	<u>110,496</u>	<u>-</u>
FUND BALANCE - MARCH 31	<u>\$ 119,541</u>	<u>\$ 150,377</u>	<u>\$ 30,836</u>

See the accompanying notes.

**VILLAGE OF GAGETOWN
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
YEAR ENDED MARCH 31, 2004**

	<u>MAJOR STREET</u>	<u>LOCAL STREET</u>	<u>TOTAL MARCH 31, 2004</u>
<u>ASSETS</u>			
Due from other funds	\$ 46,475	\$ 24,920	\$ 71,395
<u>TOTAL ASSETS</u>	<u>\$ 46,475</u>	<u>\$ 24,920</u>	<u>\$ 71,395</u>
<u>LIABILITIES & FUND EQUITY</u>			
Liabilities:			
Fund equity:			
Fund balance:			
Undesignated	\$ 46,475	\$ 24,920	\$ 71,395
Total Fund Equity	46,475	24,920	71,395
<u>TOTAL LIABILITIES & FUND EQUITY</u>	<u>\$ 46,475</u>	<u>\$ 24,920</u>	<u>\$ 71,395</u>

See the accompanying notes.

VILLAGE OF GAGETOWN
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE
YEAR ENDED MARCH 31, 2004

	<u>MAJOR STREET</u>	<u>LOCAL STREET</u>	<u>TOTAL MARCH 31, 2004</u>
REVENUE:			
Taxes		\$ 4,973	\$ 4,973
Intergovernmental revenue	\$ 40,007	14,669	54,676
TOTAL REVENUE	<u>40,007</u>	<u>19,642</u>	<u>59,649</u>
EXPENDITURES:			
Streets	<u>40,704</u>	<u>15,851</u>	<u>56,555</u>
TOTAL EXPENDITURES	40,704	15,851	56,555
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(697)</u>	<u>3,791</u>	<u>3,094</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>700</u>	<u>-</u>	<u>700</u>
EXCESS OF REVENUE & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	<u>3</u>	<u>3,791</u>	<u>3,794</u>
FUND BALANCE - APRIL 1	<u>46,472</u>	<u>21,129</u>	<u>67,601</u>
FUND BALANCE - MARCH 31	<u><u>\$ 46,475</u></u>	<u><u>\$ 24,920</u></u>	<u><u>\$ 71,395</u></u>

See the accompanying notes.

VILLAGE OF GAGETOWN
MAJOR STREET FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Intergovernmental revenue:			
Gas & weight tax	\$ 30,000	\$ 33,509	\$ 3,509
Millage on proptert tax	6,400	6,498	98
Total Intergrovermental	36,400	40,007	3,607
TOTAL REVENUE	36,400	40,007	3,607
EXPENDITURES:			
Routine maintenance	11,095	11,085	10
Traffic services	7,200	6,241	959
Winter maintenance	8,925	8,899	26
Administrative	1,235	1,230	5
Contruccion:	13,255	13,249	6
TOTAL EXPENDITURES	41,710	40,704	1,006
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(5,310)	(697)	4,613
OTHER FINANCING SOURCES (USES)			
Transfers in	-	700	700
TOTAL OTHER FINANCING SOURCES (USES):	-	700	700
EXCESS OF REVENUE & OTHER SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	(5,310)	3	5,313
FUND BALANCE - APRIL 1	46,472	46,472	-
FUND BALANCE - MARCH 31	<u>\$ 41,162</u>	<u>\$ 46,475</u>	<u>\$ 5,313</u>

See the accompanying notes.

VILLAGE OF GAGETOWN
LOCAL STREET FUND
SCHEDULE OF REVENUE, EXPENDITURES
AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Tax levy - county bridge and road improvement	\$ 10,000	\$ 4,973	\$ (5,027)
Intergovernmental revenue:			
Gas & weight tax	13,000	12,295	(705)
Millage on property tax	<u>2,400</u>	<u>2,374</u>	<u>(26)</u>
Total Intergovernmental	<u>15,400</u>	<u>14,669</u>	<u>(731)</u>
TOTAL REVENUE	<u>25,400</u>	<u>19,642</u>	<u>(5,758)</u>
EXPENDITURES:			
Routine maintenance	2,570	2,541	29
Traffic services	7,165	7,132	33
Winter maintenance	4,555	4,508	47
Administrative	1,230	1,230	-
Construction	<u>440</u>	<u>440</u>	<u>-</u>
TOTAL EXPENDITURES	15,960	15,851	109
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>9,440</u>	<u>3,791</u>	<u>(5,649)</u>
FUND BALANCE - APRIL 1	<u>21,129</u>	<u>21,129</u>	<u>-</u>
FUND BALANCE - MARCH 31	<u>\$ 30,569</u>	<u>\$ 24,920</u>	<u>\$ (5,649)</u>

See the accompanying notes.

**VILLAGE OF GAGETOWN
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
MARCH 31, 2004**

	<u>WATER</u>	<u>SEWAGE DISPOSAL</u>	<u>TOTAL MARCH 31, 2004</u>
<u>ASSETS</u>			
Cash			
Accounts receivable - net	\$ 73,391	\$ 102,503	\$ 175,894
Fixed assets	4,062	60,523	64,585
Less accumulated depreciation & amortization	333,148	2,102,280	2,435,428
Due from other funds	(157,572)	(893,520)	(1,051,092)
	<u>53,937</u>	<u>53,937</u>	<u>53,937</u>
TOTAL ASSETS	<u>\$ 253,029</u>	<u>\$ 1,425,723</u>	<u>\$ 1,678,752</u>
<u>LIABILITIES & FUND EQUITY</u>			
Liabilities:			
Due to other funds			
Customer deposits payable	\$ 128,178		\$ 128,178
	<u>1,041</u>		<u>1,041</u>
Total Liabilities	<u>129,219</u>	<u>-</u>	<u>129,219</u>
Fund Equity:			
Contributed capital			
Retained earnings:		\$ 1,417,317	1,417,317
Unreserved	123,810	8,406	132,216
Total Fund Equity	<u>123,810</u>	<u>1,425,723</u>	<u>1,549,533</u>
TOTAL LIABILITIES & FUND EQUITY	<u>\$ 253,029</u>	<u>\$ 1,425,723</u>	<u>\$ 1,678,752</u>

See the accompanying notes.

VILLAGE OF GAGETOWN
ENTERPRISE FUNDS
COMBINING SCHEDULE OF REVENUE, EXPENSES
AND CHANGE IN RETAINED EARNINGS
YEAR ENDED MARCH 31, 2004

	<u>WATER</u>	<u>SEWAGE DISPOSAL</u>	<u>TOTAL MARCH 31, 2004</u>
OPERATING REVENUE:			
Water & sewer system sales	\$ 21,666	\$ 12,161	\$ 33,827
Other services, charges & sales	10,000	2,000	12,000
Interest & penalties	1,500	-	1,500
	<u>33,166</u>	<u>14,161</u>	<u>47,327</u>
TOTAL OPERATING REVENUE			
OPERATING EXPENSES:			
Salaries & wages	2,328	7,162	9,490
Employee benefits	178	302	480
Operating supplies	5,779	-	5,779
Professional fees	30	30	60
Insurance	1,200	1,200	2,400
Utilities	2,808	1,145	3,953
Equipment maintenance	465	2,375	2,840
Waterline maintenance	-	-	-
Equipment rental	4,694	-	4,694
Testing	-	-	-
Depreciation	6,979	52,560	59,539
Miscellaneous	785	531	1,316
	<u>25,246</u>	<u>65,305</u>	<u>90,551</u>
TOTAL OPERATING EXPENSES			
OPERATING INCOME (LOSS)	<u>7,920</u>	<u>(51,144)</u>	<u>(43,224)</u>
NON-OPERATING REVENUE (EXPENSES)			
Interest earned	-	8,206	8,206
	<u>-</u>	<u>8,206</u>	<u>8,206</u>
TOTAL NON-OPERATING REVENUE (EXPENSES)			
NET INCOME (LOSS)	7,920	(42,938)	(35,018)
ADD: DEPRECIATION ON FIXED ASSETS ACQUIRED BY GRANT, WHICH REDUCES CONTRIBUTED CAPITAL	<u>-</u>	<u>43,264</u>	<u>43,264</u>
INCREASE IN RETAINED EARNINGS	7,920	326	8,246
RETAINED EARNINGS - APRIL 1	<u>115,890</u>	<u>8,080</u>	<u>123,970</u>
RETAINED EARNINGS - MARCH 31	<u>\$ 123,810</u>	<u>\$ 8,406</u>	<u>\$ 132,216</u>

See notes to financial statements.

VILLAGE OF GAGETOWN
ENTERPRISE FUNDS
COMBINING SCHEDULE OF CASH FLOWS
YEAR ENDED MARCH 31, 2004

	<u>WATER</u>	<u>SEWAGE DISPOSAL</u>	<u>TOTAL MARCH 31, 2004</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	\$ 7,920	\$ (42,938)	\$ (35,018)
ADJUSTMENT TO RECONCILE NET INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES:			
Depreciation and Amortization	6,979	52,560	59,539
CHANGE IN CURRENT ASSETS AND LIABILITIES:			
(Increase) decrease in accounts receivable	58	6,078	6,136
(Increase) decrease in Due from other funds		527	527
Increase (decrease) in Due to other funds	<u>32,303</u>		<u>32,303</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>47,260</u>	<u>16,227</u>	<u>63,487</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	<u>(35,571)</u>	<u>-</u>	<u>(35,571)</u>
NET INCREASE IN CASH & CASH EQUIVALENTS	11,689	16,227	27,916
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>61,702</u>	<u>86,276</u>	<u>147,978</u>
CASH & CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 73,391</u></u>	<u><u>\$ 102,503</u></u>	<u><u>\$ 175,894</u></u>

For purpose of reporting cash flows, cash and cash equivalents includes cash on hand, demand deposits in bank, and balances of certificates of deposits.

See notes to financial statements.

ADDITIONAL INFORMATION

VILLAGE OF GAGETOWN
GENERAL FUND
SCHEDULE OF REVENUE - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
REVENUE:			
Taxes:			
Current property tax	\$ 68,100	\$ 70,212	\$ 2,112
Intergovernmental Revenue:			
State revenue sharing	49,100	48,696	(404)
Liquor license	900	-	(900)
Total Intergovernmental Revenue	<u>50,000</u>	<u>48,696</u>	<u>(1,304)</u>
License, Permits and Fees:			
Building Permits	<u>50</u>	<u>204</u>	<u>154</u>
Fines and Forfeitures:			
Ordinance fines and fees	<u>-</u>	<u>696</u>	<u>696</u>
Charges For Services:			
Refuse collection	<u>11,700</u>	<u>11,972</u>	<u>272</u>
Miscellaneous Revenue:			
Graves	100	406	306
Interest income	-	7	7
Miscellaneous income	<u>400</u>	<u>9,676</u>	<u>9,276</u>
Total Miscellaneous Revenue	<u>500</u>	<u>10,089</u>	<u>9,589</u>
TOTAL REVENUE	<u>\$ 130,350</u>	<u>\$ 141,869</u>	<u>\$ 11,519</u>

See the accompanying notes.

VILLAGE OF GAGETOWN
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES:			
Elections	\$ 845	\$ 841	\$ 4
Clerk/Treasurer:			
Salaries	7,445	7,443	2
Fringe benefits	10,285	10,279	6
Office supplies & expense	525	524	1
Bonds & insurance	4,600	4,600	-
Contracted services	215	215	-
Professional fees	3,855	3,852	3
Telephone	2,115	2,110	5
Miscellaneous	2,820	2,815	5
Total Clerk/Treasurer	31,860	31,838	22
Village Buildings & Grounds:			
Salaries & wages	3,500	3,311	189
Fringe benefits	300	189	111
Insurance	11,500	11,500	-
Heat, light & power	7,500	6,837	663
Repairs and maintenance	2,000	1,856	144
Equipment rental	3,000	2,836	164
Miscellaneous	125	-	125
Total Village Buildings & Grounds	27,925	26,529	1,396
Police Department:			
Salaries	10,765	10,760	5
Employee benefits	900	896	4
Supplies and maintenance	1,655	1,624	31
Insurance	855	852	3
Total Police Department	14,175	14,132	43

(Continued)

VILLAGE OF GAGETOWN
GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
EXPENDITURES, (Continued):			
Public Works Department:			
Salaries	\$ 4,710	\$ 4,706	\$ 4
Employee benefits	25	24	1
Tools and supplies	2,360	2,359	1
Contracted services-refuse	12,780	12,779	1
Equipment rental	3,425	3,420	5
Street lights	14,600	14,551	49
Hydrant rental	10,000	10,000	-
Total Public Works Department	<u>47,900</u>	<u>47,839</u>	<u>61</u>
Parks:			
Salaries	2,300	1,884	416
Employee benefits	300	144	156
Equipment rental	5,600	5,390	210
Utilities	200	111	89
Repairs and maintenance	400	55	345
Miscellaneous	1,000	855	145
Total Parks	<u>9,800</u>	<u>8,439</u>	<u>1,361</u>
TOTAL EXPENDITURES	<u>\$ 132,505</u>	<u>\$ 129,618</u>	<u>\$ 2,887</u>

See the accompanying notes.

VILLAGE OF GAGETOWN
MAJOR STREET FUNDS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

EXPENDITURES:	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
Routine Maintenance:			
Labor	\$ 5,605	\$ 5,604	\$ 1
Employee benefits	430	429	1
Materials and supplies	2,010	2,005	5
Equipment rental	3,050	3,047	3
Total Routine Maintenance	<u>11,095</u>	<u>11,085</u>	<u>10</u>
Traffic Services:			
Labor	2,000	1,661	339
Employee benefits	200	127	73
Equipment rental	5,000	4,453	547
Total Traffic Services	<u>7,200</u>	<u>6,241</u>	<u>959</u>
Winter Maintenance:			
Labor	1,820	1,816	4
Employee benefits	150	139	11
Supplies	200	191	
Equipment rental	6,755	6,753	2
Total Winter Maintenance	<u>8,925</u>	<u>8,899</u>	<u>17</u>
Administrative:			
Professional fees	35	30	5
Liability insurance	1,200	1,200	-
Total Administrative	<u>1,235</u>	<u>1,230</u>	<u>5</u>
Construction:			
Material	11,175	11,172	3
Equipment rental	2,080	2,077	3
Total Construction	<u>13,255</u>	<u>13,249</u>	<u>6</u>
TOTAL EXPENDITURES	<u><u>\$ 41,710</u></u>	<u><u>\$ 40,704</u></u>	<u><u>\$ 1,006</u></u>

See the accompanying notes.

VILLAGE OF GAGETOWN
LOCAL STREET FUNDS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
YEAR ENDED MARCH 31, 2004

EXPENDITURES:	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
Routine Maintenance:			
Labor			
Employee benefits	\$ 1,800	\$ 1,784	\$ 16
Materials and supplies	140	136	4
Equipment rental	30	30	-
	<u>600</u>	<u>591</u>	<u>9</u>
Total Routine Maintenance	<u>2,570</u>	<u>2,541</u>	<u>29</u>
Traffic Services:			
Labor			
Employee benefits	1,080	1,076	4
Equipment rental	85	82	3
	<u>6,000</u>	<u>5,974</u>	<u>26</u>
Total Traffic Services	<u>7,165</u>	<u>7,132</u>	<u>33</u>
Winter Maintenance:			
Labor			
Employee benefits	1,300	1,258	42
Equipment rental	100	96	4
	<u>3,155</u>	<u>3,154</u>	<u>1</u>
Total Winter Maintenance	<u>4,555</u>	<u>4,508</u>	<u>47</u>
Administrative:			
Professional fees			
Liability insurance	30	30	-
	<u>1,200</u>	<u>1,200</u>	<u>-</u>
Total Administrative	<u>1,230</u>	<u>1,230</u>	<u>-</u>
Construction:			
Labor & Misc.	440	440	-
TOTAL EXPENDITURES	<u>\$ 15,960</u>	<u>\$ 15,851</u>	<u>\$ 109</u>

See the accompanying notes.